

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NORTH DAKOTA
SOUTHWESTERN DIVISION**

Encore Operating LP and William A.)	
Stewart d/b/a William A. Stewart &)	
Associates,)	
)	ORDER EXTENDING EX PARTE TEMPORARY RESTRAINING ORDER
Plaintiffs,)	
)	
vs.)	
)	Case No. 1:06-cv-086
Stephen Morris, Blue Diamond LLC,)	
Terina Bailey, Joann Nelson, and Panda)	
Petroleum, Inc.,)	
)	
Defendants.)	

The Court previously entered a Temporary Restraining Order and set an Order to Show Cause Hearing and Hearing on a Preliminary Injunction, which was held on Monday, December 18, 2006. The following appearances were made: Plaintiffs Encore Operating LP and William A. Stewart & Associates through their counsel, Kent Reierson of Crowley, Haughey, Hanson, Toole & Deitrich, Defendant Panda Petroleum, Inc, through its counsel, Monte Rogneby of the Vogel Law Firm, and Defendants Stephen Morris, Terina Bailey, Joann Nelson and Blue Diamond, LLC, appeared without counsel. At such hearing all parties stipulated and agreed that the Order Granting the Temporary Restraining Order may be extended until January 12, 2006, by the Court as set forth below.

IT IS ORDERED that the parties shall appear in Courtroom One of the U.S. District Court for the District of North Dakota on Tuesday, January 9, 2007, at 9:00 a.m. to show cause under Rule 65 of the Federal Rules of Civil Procedure why the Defendants, their agents, successors, assignees, principals, employees, attorneys, and representatives should not be restrained and preliminarily

enjoined during the pendency of this action, from engaging in, committing, or performing directly and indirectly, any and all of the following acts:

- A. Disseminating or utilizing for any purpose, except as necessary for the defense of this action, information, documents or any data received from the plaintiffs, Encore Operating LP or William A. Stewart, d/b/a William A. Stewart & Associates or their agents and employees;
- B. Conducting any land title work or oil and gas leasing in the Prospect Area in Bowman County, North Dakota, and Fallon County, Montana, until further order of the Court; and
- C. Discarding, destroying or deleting any documents related to the Prospect Area that are in the Defendants' possession or under their control including any documents, data, or information received from either of the Plaintiffs or their agents or employees.

IT IS FURTHER ORDERED that pending the hearing and a determination of the foregoing Order to Show Cause, and continuing thereafter, the Defendants and their counsel, agents, or representatives, shall be preliminarily enjoined from engaging in, committing, or performing directly and indirectly, any and all of the following acts:

- A. Disseminating or utilizing for any purpose, except as necessary for the defense of this action, information, documents or data of any sort received from the plaintiffs, Encore Operating LP or William A. Stewart, d/b/a William A. Stewart & Associates, or their agents and employees;

B. Conducting, until further order of the Court, any land title work or oil and gas leasing in the Prospect Area in Bowman County, North Dakota, and Fallon County, Montana, described as:

Bowman County, North Dakota
Township 129 North, Range 106 West
Township 129 North, Range 107 West

Fallon County, Montana
Township 3 North, Range 61 East
Township 3 North, Range 62 East
Township 4 North, Range 60 East
Township 4 North, Range 61 East
Township 4 North, Range 62 East
Township 5 North, Range 60 East; and

C. Discarding, destroying or deleting any documents related to the Prospect Area that are in the Defendants' possession or under their control including documents, data or information received from either of the Plaintiffs or their agents or employees.

IT IS FURTHER ORDERED that pending the hearing and a determination of the foregoing Order to Show Cause, and continuing thereafter, the Defendants shall have access to and keep the affidavits of Linda Johansson, Kent Reierson and Mark Carter along with this Ex Parte Temporary Restraining Order confidential and shall not share, disseminate or provide such pleadings to any other person or entity other than their attorneys and other co-defendants.

IT IS FURTHER ORDERED that pending the hearing and a determination of the foregoing Order to Show Cause, and continuing thereafter, the affidavits of Linda Johansson, Kent Reierson and Mark Carter along with this Ex Parte Temporary Restraining Order, shall remain sealed from the public pending a determination of the underlying action unless ordered disclosed by the Court.

IT IS FURTHER ORDERED that the bond filed with the Clerk of Court in the amount of \$10,000 by Encore as security for payment of costs and damages suffered by any party who is found to have been wrongfully enjoined or restrained shall remain in effect until further order of the Court.

Dated this 19th day of December, 2006.

/s/ Daniel L. Hovland

Daniel L. Hovland, Chief Judge
United States District Court